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IN AND BEFORE

OFFICE OF GENERAL
COUNSEL

THE FEDERAL ELECTION COMMISSION

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FEC MAIL CENTER

In Re:

Friends of Mike Lee, Inc.
Mike McCauley, Treasurer
Respondent

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Response to Complaint and Motion to Dismiss

Friends of Mike Lee, Inc. (the "Committee") through its Treasurer, Mike McCauley ("Respondent") hereby responds to the Complaint in the above-referenced Matter Under Review. Respondent denies the allegations contained in the Complaint and moves for dismissal of the Complaint.

Count II alleges that the Committee violated FECA by receiving a contribution related to Senator Lee's short-sale of his residence.

With respect to Count II, the transaction involving the sale of Senator Mike Lee's ("Sen. Lee") home had absolutely nothing to do with the Committee, nor is there any evidence or information contained in the Complaint giving rise to a violation of FECA. There were no receipts received, directly or indirectly, nor any disbursements by the Committee related to Sen. Lee's residence, such that there are no facts in Count II to be controverted.

Inasmuch as there are no facts contained in the Complaint regarding Count II which would constitute a violation of FECA and the count is facially insufficient to constitute a violation of the law.

Factual Background¹

Sen. Lee was a candidate for the Republican nomination for the United States Senate from Utah during the 2010 election cycle. Mr. Dan Hauser was the Deputy Campaign Manager and Finance Director of the Committee during the 2010 campaign.

There are no facts asserted in Count II of the Complaint which would constitute a violation of FECA. Count II is facially insufficient to constitute a violation of the law.

Entirely unrelated to any of the Committee's campaign or fundraising activities, Senator Mike Lee sold his house to Ron McMillan in May 2012 in a short sale transaction. Mike Lee then rented a house from Mr. McMillan which has been since July 2012 the personal residence of Sen. Lee and his family. The transactions regarding Sen. Lee's personal residences have not involved the Committee in any way, at any time.

Allegations of the Complaint Do Not Constitute a Violation of FECA

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Response to Count II: Short Sale of Sen. Lee's Residence Did Not Involve the Committee or Committee Receipts or Disbursements

Count II of the Complaint alleges that the short sale of Sen. Lee's residence in Alpine, Utah in May 2011 and his subsequent rental of another house from the buyer of his home constitutes a contribution to the Committee which the Committee then used to pay for a house rental (a violation of 2 U.S.C. § 439a(b)(1)(A)).

However, there were no receipts to or disbursements by the Committee at any time involving Sen. Lee's residence, either of them. The transactions at issue there did not involve the Committee or Committee funds at any time. There was no 'thing of value' contributed directly or indirectly to the Committee nor were there any disbursements by the Committee related to Sen. Lee's personal living expenses.

The Committee did not pay for Senator Lee's home mortgage, rent or utility payment or any other personal expense in violation of Section 439a(b)(1)(A).

Both transactions—the short-sale of Sen. Lee's home and the rental agreement between Sen. Lee and Mr. McMillan —were entirely unrelated to the Committee. Accordingly, Count II of the Complaint must be dismissed.

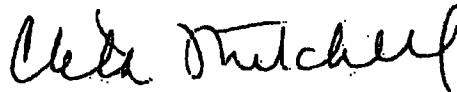
Conclusion

The allegations of the Complaint are without merit.

Count II of the Complaint regarding the 2012 short-sale of Senator Lee's personal residence did not constitute a contribution to the Committee nor were there any disbursements by the Committee at any time related to Sen. Lee's personal living expenses.

Accordingly, there is and was no violation of FECA. Respondent respectfully requests that the FEC find no reason to believe that a violation has occurred as to the Complaint, that the Complaint be dismissed and that the MUR be closed.

Respectfully Submitted,



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